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COUNTY OF AMADOR

AUDIT REPORT

JUNE 30, 2008

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COUNTY OF AMADOR
AUDIT REPORT
JUNE 30, 2008

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GALLINA^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
County of Amador
Jackson, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Amador, California, (the County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated March 20, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Supervisors
County of Amador

The Management's Discussion and Analysis and the other required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the County of Amador's basic financial statements. The accompanying information identified in the table of contents as combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, such information is fairly stated in all material respects in relation to the basic financial statements taken as whole.



Roseville, California
March 20, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2008

Management's Discussion and Analysis

This section of the Amador County's annual financial report presents our discussion and analysis of the County's activities of the County of Amador for fiscal year ended June 30, 2008. Please read it in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The assets of the County exceeded liabilities at the close of the 2007-2008 fiscal year by \$81,071,743 (net assets). Of this amount, \$13,496,224 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, \$16,429,119 is restricted for specific purpose (restricted net assets), and \$51,146,400 is invested in capital assets, net of related debt.
- The County of Amador's total net assets increased by \$1,213,927. The increase in net assets are mainly attributable to:
 - \$3,769,172 net increase in governmental funds due to revenues in excess of expenditures,
 - \$627,632 increase due to expenditures for capital assets net of current year depreciation in governmental funds,
 - \$460,573 increase due to revenue which was unavailable on the fund statements,
 - \$434,533 increase due to repayment of debt principal which reduces long-term liabilities in the statement of net assets,
 - \$108,018 decrease due to increases in liability from compensated absences and unamortized bond issuance costs,
 - \$346,310 decrease due to internal service funds activities reported as governmental activities, and
 - \$3,623,655 decrease due to business type activities of which \$3,617,204 is landfill closure/post closure and operating cost.
- As of June 30, 2008 the County of Amador's governmental funds reported combine fund balances of \$36,397,210, an increase of \$3,769,172. Approximately 42% of the combined fund balances, \$15,419,054 is available to meet the County's current and future needs (unreserved fund balance).
- At the end of the fiscal year, unreserved fund balance for the general fund was \$9,566,238, or 29% of total general fund expenditures. All the remaining unreserved fund balance will be budgeted in the subsequent fiscal year.
- The County's total long-term debt increased by \$3,195,916 from the prior year. The increase is primarily due to engineering estimates of landfill closure/post closure liability cost.

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2008

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County of Amador's basic financial statements. The County of Amador's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements. Government-wide Financial Statements are designed to provide readers with a broad overview of the County of Amador's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County of Amador's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County of Amador is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County of Amador that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County of Amador include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation, and cultural services. The business-type activities of the County of Amador include the County Landfill, and Airport.

The government-wide financial statements include the following component units: the Amador Fire Protection District and the Amador IHSS Public Authority. These two component units have the same board as the County.

The government-wide financial statements can be found on pages 14-16 of this report.

Fund Financial Statements are a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County of Amador, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Amador can be divided into three categories: governmental funds, proprietary fund, and fiduciary funds.

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2008

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statement focus on how cash and other financial assets can readily be converted to available resources and the balances left at year-end that is available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the county's financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial statements. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The County of Amador maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Social Service Fund, Road Fund, County Improvement Fund, and Water Development Sinking Fund which are considered to be major funds. Data from other governmental funds are combined to a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The governmental funds financial statements can be found on pages 17-22 of this report.

Proprietary funds are maintained two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. The County of Amador uses enterprise funds to account for Landfill and Airport, both, which are considered major funds. Data from nonmajor enterprise funds are combined into a single, aggregate presentation. Internal service funds are an accounting device used to accumulate funds to account for self-insurance, fleet maintenance and replacement, purchasing, and communications. Because the services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for Landfill and Airport. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

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Management's Discussion and Analysis June 30, 2008

The proprietary funds financial statements can be found on pages 23-26 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide because the resources of those funds are not available to support the County of Amador's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements can be found on pages 27-28 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes can be found on pages 29-57 of this report.

Required supplementary information is presented concerning the County of Amador's progress funding its obligation to provide pension benefits to its employees. Required supplementary information also includes Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual for the General Fund, Social Service Fund, and Road Fund.

Required supplementary information can be found on pages 58-62 of this report.

The supplementary information is the combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds.

Supplementary information can be found on pages 63-77 of this report.

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Management's Discussion and Analysis June 30, 2008

Governmental-Wide Financial Analysis

The county has provided prior year's information for a comparative analysis of government-wide data.

County of Amador's Net Assets June 30, 2008

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Assets:						
Current and other assets	\$ 42,549,594	\$ 39,709,878	\$ (1,518,941)	\$ (1,550,818)	\$ 41,030,653	\$ 38,159,060
Capital assets	56,397,474	55,863,099	3,704,401	3,821,359	60,101,875	59,684,458
Total assets	98,947,068	95,572,977	2,185,460	2,270,541	101,132,528	97,843,518
Liabilities:						
Current and other liabilities	2,507,042	3,674,832	265,260	218,303	2,772,302	3,893,135
Long-term liabilities	10,804,299	11,100,000	6,484,184	2,992,567	17,288,483	14,092,567
Total liabilities	13,311,341	14,774,832	6,749,444	3,210,870	20,060,785	17,985,702
Net Assets:						
Invested in capital net of related debt	47,564,051	46,950,755	3,582,349	3,688,231	51,146,400	50,638,986
Restricted net assets	16,429,119	13,122,022	--	--	16,429,119	13,122,022
Unrestricted net assets	21,642,557	20,725,368	(8,146,333)	(4,628,560)	13,496,224	16,096,808
Total net assets	\$ 85,635,727	\$ 80,798,145	\$ (4,563,984)	\$ (940,329)	\$ 81,071,743	\$ 79,857,816

Analysis of Net Assets

Net assets exceeded liabilities by \$81,071,743 at the close of the 2007-08 fiscal year. Increases or decreases in net assets may over time serve as a useful indicator of whether the financial position of the county is improving or deteriorating. Of this amount \$13,496,224 (unrestricted net assets) may be used to meet the government's ongoing obligations to the citizens and creditors. \$16,429,119 (restricted net assets) is restricted for a specific purpose. The remaining portion and largest \$51,146,400 is the county's investment in capital assets (e.g. land, building, machinery, and equipment), less any related debt. These assets are used to provide services to its citizens and are not available for future spending.

As stated earlier, net asset increased by \$1,213,927. The increase in net assets is attributable to:

- \$3,769,172 net increase in governmental funds due to revenues in excess of expenditures,
- \$627,632 increase due to expenditures for capital assets net of current year depreciation in government in governmental funds,
- \$460,573 increase due to revenue which was unavailable on the fund statements,
- \$434,533 increase due to repayment of debt principal which reduces long-term liabilities in statement of net assets,
- \$108,018 decrease due to increases in liability from compensated absences and unamortized bond issuance costs,

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2008

- \$346,310 decrease due to internal service funds activities reported as governmental activities, and
- \$3,623,655 decrease due to business type activities of which \$3,617,204 is landfill closure/post closure and operating cost.

County of Amador's Changes in Net Assets For the Year Ended June 30, 2008

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program Revenues:						
Charges for services	\$ 10,151,321	\$ 8,820,270	\$ 809,369	\$ 791,423	\$ 10,960,690	\$ 9,611,693
Operating grants and contributions	30,684,555	28,027,891	323,400	20,000	31,007,955	28,047,891
General Revenues:						
Property taxes	20,811,849	17,726,850	67,640	62,254	20,879,489	17,789,104
Sales and use taxes	2,343,470	2,926,033	--	--	2,343,470	2,926,033
Other	1,548,129	838,157	--	--	1,548,129	838,157
Unrestricted interest and investment earnings	1,767,933	1,760,044	21,590	20,730	1,789,523	1,780,774
Miscellaneous	23,647	631,985	--	--	23,647	631,985
Grants and contributions not restricted to specific programs	--	394,056	--	--	--	394,056
Loss on disposal of capital assets	--	--	--	(583,392)	--	(583,392)
Transfers	(50,000)	(32,390)	50,000	32,390	--	--
Total revenues	67,280,904	61,092,896	1,271,999	343,405	68,552,903	61,436,301
Expenses:						
General government	7,135,434	10,046,148	--	--	7,135,434	10,046,148
Public protection	27,891,492	24,968,537	--	--	27,891,492	24,968,537
Public ways and facilities	8,008,989	9,705,550	--	--	8,008,989	9,705,550
Health and sanitation	8,210,880	7,894,671	--	--	8,210,880	7,894,671
Public assistance	9,136,317	7,613,981	--	--	9,136,317	7,613,981
Education	1,205,892	986,655	--	--	1,205,892	986,655
Culture and recreation	457,562	357,319	--	--	457,562	357,319
Interest on long-term debt	396,756	406,830	--	--	396,756	406,830
Landfill	--	--	4,537,557	4,289,280	4,537,557	4,289,280
Airport	--	--	332,386	308,381	332,386	308,381
County Service Areas	--	--	25,711	37,357	25,711	37,357
Total expenses	62,443,322	61,979,691	4,895,654	4,635,018	67,338,976	66,614,709
Change in net assets	4,837,582	(886,795)	(3,623,655)	(4,291,613)	1,213,927	(5,178,408)
Net assets at beginning year	80,798,145	81,684,940	(940,329)	3,351,284	79,857,816	85,036,224
Net assets at end of year	\$ 85,635,727	\$ 80,798,145	\$ (4,563,984)	\$ (940,329)	\$ 81,071,743	\$ 79,857,816

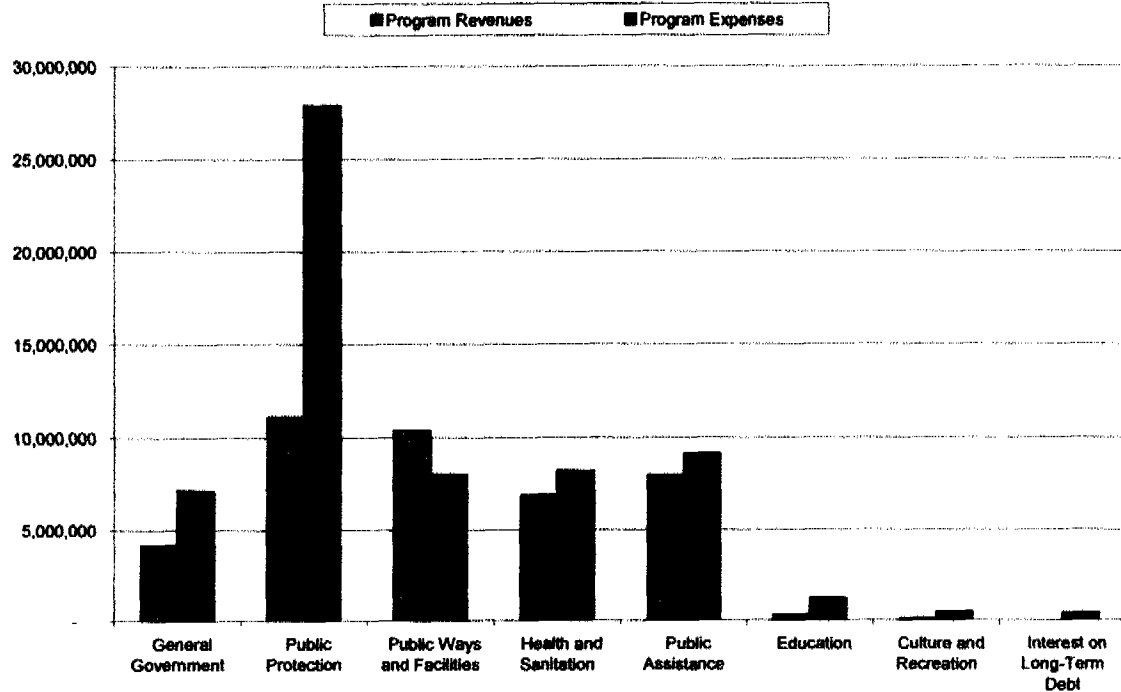
Governmental activities increased the county's net assets by \$4,837,582. The increases in net assets were due to the following:

- \$3,769,172 net increase in governmental funds due to revenues in excess of expenditures,
- \$627,632 increase due to expenditures for capital assets net of current year depreciation in governmental funds,
- \$460,573 increase due to revenue which was unavailable on the fund statements,
- \$434,533 increase due to repayment of debt principal which reduces long-term liabilities in the statement of net assets,
- \$108,018 decrease due to increases in liability from compensated absences and unamortized bond issuance costs, and
- \$346,310 decrease due to internal service funds activities reported as governmental activities.

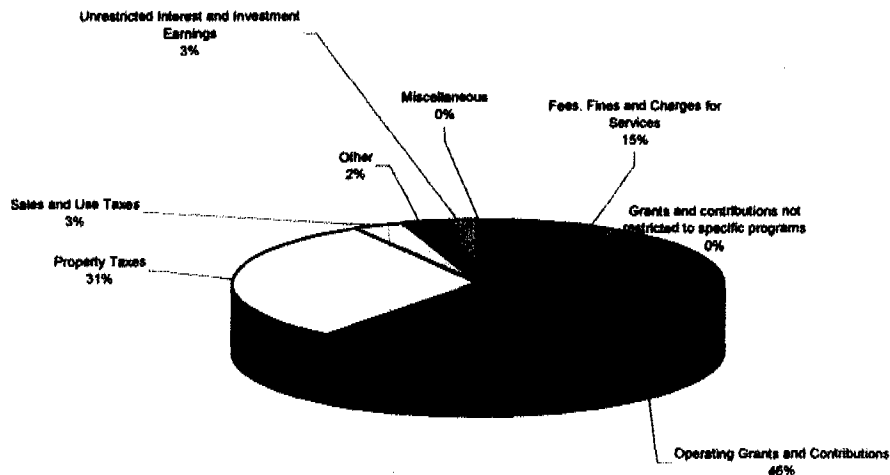
COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2008

**Governmental Activities Revenues and Expenses
2007-2008**



**Governmental Activities Revenues by Source
2007-2008**



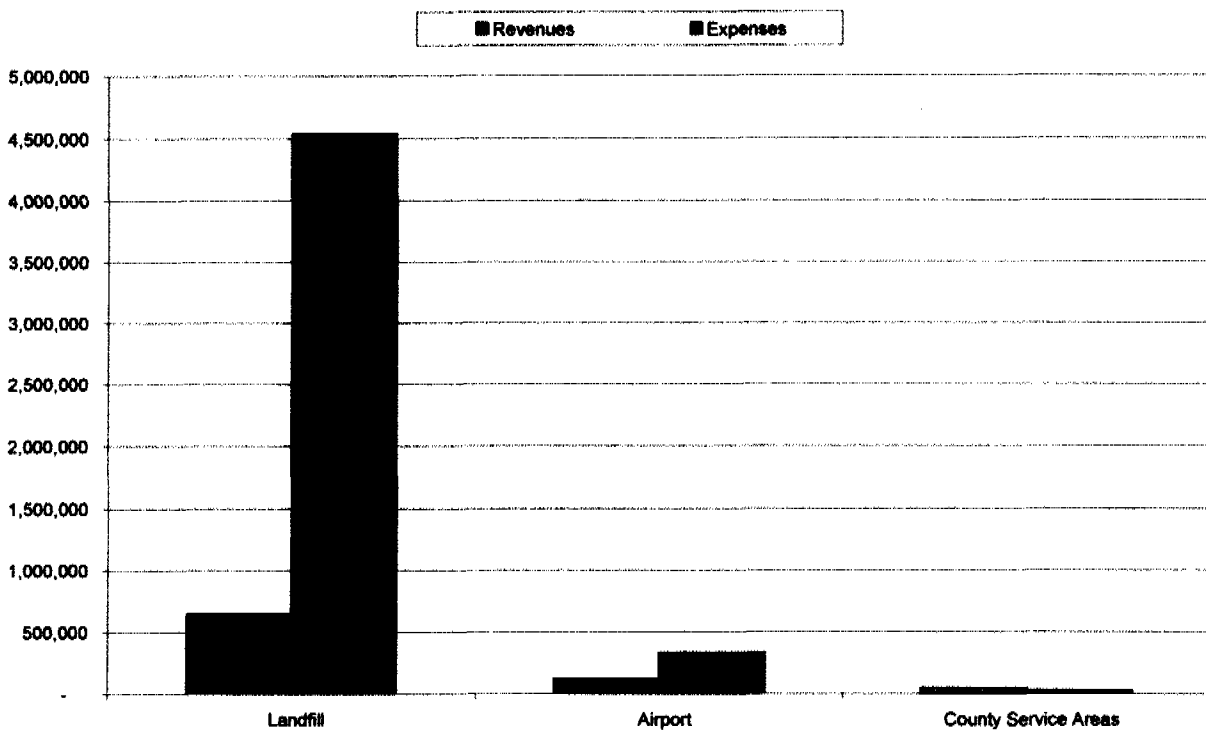
COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2008

Business-type activities decreased the county's net assets by \$3,623,655. The decreases to net assets were due to the following:

- \$3,617,204 decrease due to landfill closure/post closure and operating cost,
- \$38,206 decrease due to airport operating cost,
- \$31,755 increase due to County Service Areas 5,6, and 8 activities.

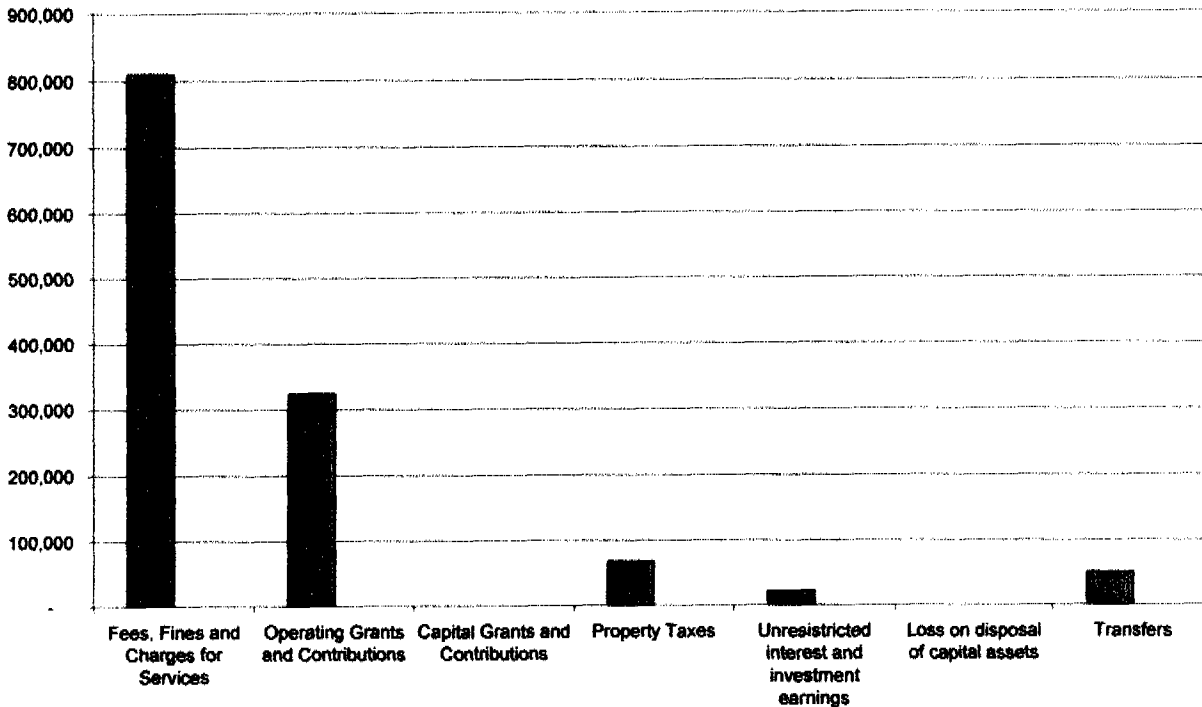
**Business-Type Revenues and Expenses
2007 - 2008**



COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2008

**Business-Type Revenues by Source
2007 - 2008**



Financial analysis of the Governmental Funds

As noted earlier, the County of Amador uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government funds. The government functions are contained in the General, Special Revenue, Capital Project and Debt Service Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County of Amador's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2008 the County of Amador's governmental funds reported combined ending fund balances of \$36,397,210 an increase of \$3,769,172 in comparison with the prior year. Approximately 42% of the combined fund balance, \$15,419,054, constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of the funds, \$20,978,156 is reserved to indicate that it is not available for new spending because it has been committed:

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2008

1. imprest cash (\$24,550)
2. liquidate contractual commitments (\$2,034,900)
3. loans and advances due from other funds (\$3,016,439)
4. general reserve (\$15,902,267)

The general fund is the chief operating fund of the county. At June 30, 2008, unreserved fund balance of the general fund was \$9,566,238, while total fund balance reached \$19,883,619. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 29% of total general fund expenditures, while total fund balance represents 61% of total general fund expenditures. The fund balance for the county's general fund increased by \$387,101 during the current fiscal year.

In addition to the General Fund, the County maintains four major government funds: the Social Services fund, Road fund, County Improvement fund, and the Water Development Sinking fund. The Social Service fund is used to administer the County's social services programs that promote job-readiness and self-sufficiency of individuals and families. The Social Service fund recorded \$8 million in revenues in 2008, compared to \$7.3 million last year. Expenditures increased \$1.5 million from \$7.4 million in 2007 to \$8.9 million in 2008.

The Road fund is used for planning, design, construction, maintenance and administration of the County's roads and infrastructure. The Road fund reported \$10.9 million in revenues in 2008 compared to \$7.7 million last year. The increase was the result of Prop 1B and Highway 49 Relinquishment projects. Expenditures were \$8.7 million in 2008 compared to \$9.2 million in 2007.

The County Improvement fund is used for the acquisition and construction of County facilities. In 2008 revenues were \$.7 million compared to \$1.3 million in 2007. Expenditures in 2008 was \$.5 million and this was significantly less than the \$8 million reported in 2007 because most of the construction cost was for completion of the Amador Superior Court building. The Amador Superior Court building was completed in June 2007.

The Water Development Sinking fund is used for the development of new or additional water for the County. Revenues in 2008 were \$217,707 compared to \$218,474 in 2007. Expenditures in 2008 were \$356,955 compared to \$7,592 in 2007. The expenditures in 2008 were for studies on Lake Camache, Lower Bear Reservoir, and Central Amador Water Project.

Proprietary funds. The County of Amador's proprietary funds provide the same type of information found in the government-wide financial statements, but more detail. The net assets of the enterprise funds decreased by \$3,623,655. The decrease is primarily due to recording the engineering estimates of landfill closure/post closure liability cost. The net assets of the internal services funds' decreased by \$346,310 to \$3,570,822.

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2008

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

- \$997,609 increase in general governmental budget
- \$1,574,007 increase in public protection budget
- \$2,020 increase in public assistance budget
- \$18,865 increase in education budget
- \$81,881 increase in recreation and cultural services budget
- \$338,750 decrease capital outlay and contingency budget

Capital Asset and Debt Administration

Capital assets. The County of Amador's investment in capital assets for its governmental and business type activities as of June 30, 2008, amount to \$60,101,875 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. Additional information on the County's capital assets can be found in Note 4 of the Notes to the Basic Financial Statements.

Debt Administration. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$17,288,483. The long-term obligations are as follows:

- \$1,825,506 compensated absences
- \$150,000 liability for self-insurance
- \$8,955,427 notes payable and certificates of participation
- \$6,357,550 landfill closure/post-closure

Additional information on the County's long-term obligations can be found in Note 5 of the Notes to the Basic Financial Statements.

Request for Information

This financial report is designed to provide a general overview of the County of Amador's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Amador County Auditor-Controller, 810 Court Street, Jackson, CA 95642.

BASIC FINANCIAL STATEMENTS
Government-Wide Financial Statements

COUNTY OF AMADOR

Statement of Net Assets June 30, 2008

	Primary Government		Totals
	Governmental Activities	Business-Type Activities	
<u>ASSETS</u>			
Cash and investments in Pool	\$ 37,874,918	\$ 406,433	\$ 38,281,351
Cash with fiscal agents	48	--	48
Restricted Assets:			
Cash and investments in Pool	--	7,782	7,782
Imprest cash	26,750	100	26,850
Accounts receivable	88,437	107,663	196,100
Taxes receivable	24,295	36,280	60,575
Interest receivable	347,731	3,978	351,709
Due from other governments	1,034,335	38,223	1,072,558
Loans and notes receivable	697,039	--	697,039
Internal balances	2,119,400	(2,119,400)	--
Deferred charges	336,641	--	336,641
Capital Assets:			
Nondepreciable	15,220,582	2,176,875	17,397,457
Depreciable, net	41,176,892	1,527,526	42,704,418
Total Assets	<u>\$ 98,947,068</u>	<u>\$ 2,185,460</u>	<u>\$ 101,132,528</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 1,131,671	\$ 19,458	\$ 1,151,129
Due to other governments	679,200	--	679,200
Interest payable	93,605	--	93,605
Deposits held for others	--	245,802	245,802
Unearned revenues	602,566	--	602,566
Long-Term Liabilities:			
Portion due or payable within one year:	1,286,378	205,038	1,491,416
Portion due or payable after one year:	9,517,921	6,279,146	15,797,067
Total Liabilities	<u>13,311,341</u>	<u>6,749,444</u>	<u>20,060,785</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	47,564,051	3,582,349	51,146,400
Restricted for:			
Public safety	903,508	--	903,508
Health and public assistance	2,265,415	--	2,265,415
Community development and public facilities	3,631,977	--	3,631,977
Capital projects	9,402,349	--	9,402,349
Other	225,870	--	225,870
Unrestricted	21,642,557	(8,146,333)	13,496,224
Total Net Assets	<u>85,635,727</u>	<u>(4,563,984)</u>	<u>81,071,743</u>
Total Liabilities and Net Assets	<u>\$ 98,947,068</u>	<u>\$ 2,185,460</u>	<u>\$ 101,132,528</u>

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (2,961,130)		\$ (2,961,130)
(16,785,785)		(16,785,785)
2,372,956		2,372,956
(1,338,723)		(1,338,723)
(1,175,967)		(1,175,967)
(940,947)		(940,947)
(381,094)		(381,094)
(396,756)		(396,756)
<u>(21,607,446)</u>		<u>(21,607,446)</u>
--	\$ (3,737,985)	(3,737,985)
--	(42,390)	(42,390)
--	17,490	17,490
--	<u>(3,762,885)</u>	<u>(3,762,885)</u>
<u>(21,607,446)</u>	<u>(3,762,885)</u>	<u>(25,370,331)</u>
20,811,849	67,640	20,879,489
2,343,470	--	2,343,470
893,395	--	893,395
100,817	--	100,817
358,099	--	358,099
195,818	--	195,818
1,767,933	21,590	1,789,523
23,647	--	23,647
(50,000)	50,000	--
<u>26,445,028</u>	<u>139,230</u>	<u>26,584,258</u>
4,837,582	(3,623,655)	1,213,927
<u>80,798,145</u>	<u>(940,329)</u>	<u>79,857,816</u>
<u>\$ 85,635,727</u>	<u>\$ (4,563,984)</u>	<u>\$ 81,071,743</u>

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

Water Development Sinking	Other Governmental Funds	Total Governmental Funds
\$ 4,504,332	\$ 3,818,195	\$ 34,886,348
--	48	48
--	200	24,550
--	--	88,437
--	--	24,295
--	174,925	1,034,335
38,539	16,324	318,115
697,039	--	697,039
--	--	2,319,400
<u>\$ 5,239,910</u>	<u>\$ 4,009,692</u>	<u>\$ 39,392,567</u>
\$ --	\$ 130,873	\$ 1,053,018
--	676,752	679,200
--	--	1,063,139
--	--	200,000
<u>--</u>	<u>807,625</u>	<u>2,995,357</u>
--	200	24,550
16,162	50,767	2,034,900
697,039	--	3,016,439
4,567,454	612,098	15,902,267
--	--	9,566,238
--	2,211,633	4,320,559
(40,745)	242,897	1,447,785
--	84,472	84,472
<u>5,239,910</u>	<u>3,202,067</u>	<u>36,397,210</u>
<u>\$ 5,239,910</u>	<u>\$ 4,009,692</u>	<u>\$ 39,392,567</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF AMADOR

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets - Governmental Activities
June 30, 2008

Fund Balance - total governmental funds	\$ 36,397,210
Amounts reported for governmental activities in the statement of net assets are different because:	
Deferred charges in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	336,641
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	55,541,242
Internal service funds are used by the County to charge the cost of copying and fleet services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of assets. Internal service fund net assets are:	3,570,822
Interest payable on long-term liabilities does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.	(93,605)
Deferred revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	460,573
Long-term liabilities, including certificates of participation and loans payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Certificates of Participation	(8,760,000)
Loans payable	(73,375)
Compensated absences	<u>(1,743,781)</u>
Net assets of governmental activities	<u>\$ 85,635,727</u>

The accompanying notes are an integral part of these financial statements.

Water Development Sinking	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 22,640	\$ 24,703,448
--	201,800	1,708,880
--	6,382,786	30,376,856
--	187,996	1,196,614
217,707	142,403	1,654,026
--	1,697,156	5,459,409
--	465,839	1,029,928
<u>217,707</u>	<u>9,100,620</u>	<u>66,129,161</u>
--	14,549	5,653,713
356,955	1,449,447	27,212,138
--	--	8,729,183
--	8,144,784	8,145,484
--	--	9,054,631
--	--	1,188,628
--	--	452,087
--	--	495,518
--	434,533	434,533
--	378,054	378,054
<u>356,955</u>	<u>10,421,367</u>	<u>61,743,969</u>
<u>(139,248)</u>	<u>(1,320,747)</u>	<u>4,385,192</u>
--	979,000	3,287,333
--	--	(3,903,353)
--	979,000	(616,020)
<u>(139,248)</u>	<u>(341,747)</u>	<u>3,769,172</u>
<u>5,379,158</u>	<u>3,543,814</u>	<u>32,628,038</u>
<u>\$ 5,239,910</u>	<u>\$ 3,202,067</u>	<u>\$ 36,397,210</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF AMADOR

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities For the Year Ended June 30, 2008

Net change to fund balance - total governmental funds \$ 3,769,172

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlay as expenditures. However, in the
statement of activities, the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	2,940,309	
Less: current year depreciation	<u>(2,312,677)</u>	
		627,632

Revenues in the Statement of Activities do not provide current financial
resources and, therefore, are not reported as revenue in the governmental funds.

Change in deferred revenue	460,573
----------------------------	---------

Repayment of debt principal is an expenditure in the governmental funds,
but the repayment reduces long-term liabilities in the statement of net assets

Principal payments	434,533
--------------------	---------

Some expenses reported in the statement of activities do not require the use of
current financial resources and, therefore, are not reported as expenditures in
governmental funds.

Change in compensated absences	(89,316)
Change in unamortized bond issuance cost	(18,702)

Internal service funds are used by management to charge the costs of certain
activities to individual funds. The net revenue of certain activities of the
the internal service funds is reported with governmental activities.

<u>(346,310)</u>

Change in net assets of governmental activities	<u>\$ 4,837,582</u>
---	---------------------

The accompanying notes are an integral part of these financial statements.

COUNTY OF AMADOR

Statement of Net Assets Proprietary Funds June 30, 2008

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Funds
	Waste Management	Airport	Nonmajor Enterprise Funds		
ASSETS					
Current Assets:					
Cash and investments in Pool	\$ 9,906	\$ 27,600	\$ 368,927	\$ 406,433	\$ 2,988,570
Imprest cash	--	100	--	100	2,200
Accounts receivable	107,663	--	--	107,663	--
Taxes receivable	36,280	--	--	36,280	--
Due from other governments	--	--	38,223	38,223	--
Interest receivable	479	363	3,136	3,978	29,616
Total Current Assets	154,328	28,063	410,286	592,677	3,020,386
Noncurrent Assets:					
Restricted Assets:					
Cash and investments in Pool	7,782	--	--	7,782	--
Capital Assets:					
Nondepreciable	676,022	1,500,853	--	2,176,875	15,000
Depreciable, net	257,496	1,270,030	--	1,527,526	841,232
Total Noncurrent Assets	941,300	2,770,883	--	3,712,183	856,232
Total Assets	\$ 1,095,628	\$ 2,798,946	\$ 410,286	\$ 4,304,860	\$ 3,876,618
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 15,576	\$ 3,882	\$ --	\$ 19,458	\$ 78,653
Deposits held for others	--	--	245,802	245,802	--
Current portion of long-term liabilities:					
Loans payable	--	11,747	--	11,747	--
Compensated absences	178	2,113	--	2,291	38,571
Liability for landfill post-closure costs	191,000	--	--	191,000	--
Total Current Liabilities	206,754	17,742	245,802	470,298	117,224
Long-term Liabilities:					
Compensated absences	178	2,113	--	2,291	38,572
Loans payable	--	110,305	--	110,305	--
Advances from other funds	2,119,400	--	--	2,119,400	--
Claims liability	--	--	--	--	150,000
Liability for landfill post-closure costs	6,166,550	--	--	6,166,550	--
Total Long-term Liabilities	8,286,128	112,418	--	8,398,546	188,572
Total Liabilities	8,492,882	130,160	245,802	8,868,844	305,796
NET ASSETS					
Invested in capital assets, net of related debt	933,518	2,648,831	--	3,582,349	856,232
Unrestricted	(8,330,772)	19,955	164,484	(8,146,333)	2,714,590
Total Net Assets	(7,397,254)	2,668,786	164,484	(4,563,984)	3,570,822
Total Liabilities and Net Assets	\$ 1,095,628	\$ 2,798,946	\$ 410,286	\$ 4,304,860	\$ 3,876,618

The accompanying notes are an integral part of these financial statements.

COUNTY OF AMADOR

Statement of Revenues, Expenses and Changes in Net Assets Proprietary Funds For the Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Waste Management	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 523,678	\$ 116,437	\$ 35,333	\$ 675,448	\$ 4,594,062
Other	124,533	1,520	7,868	133,921	286
Total Operating Revenues	<u>648,211</u>	<u>117,957</u>	<u>43,201</u>	<u>809,369</u>	<u>4,594,348</u>
Operating Expenses:					
Salaries and benefits	145,757	108,696	--	254,453	1,363,995
Services and supplies	849,561	91,101	25,711	966,373	3,966,319
Special projects	33,651	16,059	--	49,710	--
Depreciation	7,968	108,990	--	116,958	285,551
Closure/postclosure	3,500,620	--	--	3,500,620	--
Total Operating Expenses	<u>4,537,557</u>	<u>324,846</u>	<u>25,711</u>	<u>4,888,114</u>	<u>5,615,865</u>
Operating Income (Loss)	<u>(3,889,346)</u>	<u>(206,889)</u>	<u>17,490</u>	<u>(4,078,745)</u>	<u>(1,021,517)</u>
Non-Operating Revenues (Expenses):					
Taxes	67,640	--	--	67,640	--
Interest income	3,141	4,184	14,265	21,590	113,907
Intergovernmental revenues	151,361	172,039	--	323,400	--
Interest expense	--	(7,540)	--	(7,540)	--
Gain (loss) on sale of assets	--	--	--	--	(4,720)
Total Non-Operating Revenues (Expenses)	<u>222,142</u>	<u>168,683</u>	<u>14,265</u>	<u>405,090</u>	<u>109,187</u>
Net Income (Loss) before Transfers	<u>(3,667,204)</u>	<u>(38,206)</u>	<u>31,755</u>	<u>(3,673,655)</u>	<u>(912,330)</u>
Transfers in	<u>50,000</u>	<u>--</u>	<u>--</u>	<u>50,000</u>	<u>566,020</u>
Change in Net Assets	<u>(3,617,204)</u>	<u>(38,206)</u>	<u>31,755</u>	<u>(3,623,655)</u>	<u>(346,310)</u>
Net Assets, Beginning of Year	<u>(3,780,050)</u>	<u>2,706,992</u>	<u>132,729</u>	<u>(940,329)</u>	<u>3,917,132</u>
Net Assets, End of Year	<u>\$ (7,397,254)</u>	<u>\$ 2,668,786</u>	<u>\$ 164,484</u>	<u>\$ (4,563,984)</u>	<u>\$ 3,570,822</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF AMADOR

Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Waste Management	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 620,330	\$ 117,957	\$ 39,529	\$ 777,816	\$ --
Receipts from interfund services provided	--	--	--	--	4,594,348
Payments to suppliers	12,727	(163,481)	(25,711)	(176,465)	(1,354,479)
Payments to employees	(1,031,122)	(104,470)	--	(1,135,592)	(3,884,545)
Net Cash Provided (Used) by Operating Activities	(398,065)	(149,994)	13,818	(534,241)	(644,676)
Cash Flows from Investing Activities:					
Interest received	4,408	4,201	14,659	23,268	120,682
Net Cash Provided (Used) by Investing Activities	4,408	4,201	14,659	23,268	120,682
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets	--	--	--	--	(219,169)
Proceeds from sale of capital assets	--	--	--	--	22,157
Interest payments on debt	--	(7,540)	--	(7,540)	--
Principal payments on debt	--	(11,077)	--	(11,077)	--
Net Cash Provided (Used) by Capital and Related Financing Activities	--	(18,617)	--	(18,617)	(197,012)
Cash Flows from Non-Capital Financing Activities:					
Aid from other governmental agencies	151,361	172,039	--	323,400	--
Taxes received	31,360	--	--	31,360	--
Advances received from other funds	90,800	--	--	90,800	--
Transfers received from other funds	50,000	--	--	50,000	566,020
Net Cash Provided (Used) by Non-Capital Financing Activities	323,521	172,039	--	495,560	566,020
Net Increase (Decrease) in Cash and Cash Equivalents	(70,136)	7,629	28,477	(34,030)	(154,986)
Cash and Cash Equivalents, Beginning of Year	87,824	20,071	340,450	448,345	3,145,756
Cash and Cash Equivalents, End of Year	\$ 17,688	\$ 27,700	\$ 368,927	\$ 414,315	\$ 2,990,770

continued

The accompanying notes are an integral part of these financial statements.

COUNTY OF AMADOR

Statement of Cash Flows (continued) Proprietary Funds For the Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Waste Management	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (3,889,346)	\$ (206,889)	\$ 17,490	\$ (4,078,745)	\$ (1,021,517)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation	7,968	108,990	--	116,958	285,551
Changes in assets and liabilities:					
Accounts receivable	(27,881)	--	--	(27,881)	--
Accounts payable	12,727	(321)	--	12,406	41,774
Compensated absences payable	(2,153)	4,226	--	2,073	3,147
Deposits held for others	--	--	34,551	34,551	--
Other liabilities	--	(56,000)	--	(56,000)	46,369
Due from other governments	--	--	(38,223)	(38,223)	--
Landfill closure liability	3,500,620	--	--	3,500,620	--
 Net Cash Provided (Used) by Operating Activities	 <u>(398,065)</u>	 <u>(149,994)</u>	 <u>13,818</u>	 <u>(534,241)</u>	 <u>(644,676)</u>
 Recap of Cash and Cash Equivalents, as reported on the Statement of Net Assets					
Cash and investments in Pool	\$ 9,906	\$ 27,600	\$ 368,927	\$ 406,433	\$ 2,988,570
Imprest cash	--	100	--	100	2,200
Restricted Assets:					
Cash and investments in Pool	<u>7,782</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
	<u>\$ 17,688</u>	<u>\$ 27,700</u>	<u>\$ 368,927</u>	<u>\$ 406,533</u>	<u>\$ 2,990,770</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF AMADOR

Statement of Fiduciary Net Assets Fiduciary Funds June 30, 2008

	Investment Trust Funds	Agency Funds
<u>Assets</u>		
Current Assets:		
Cash and investments	\$ 19,295,219	\$ 12,409,849
Interest receivable	--	5,394
Taxes receivable	--	2,766,316
	<u>19,295,219</u>	<u>15,181,559</u>
Total Assets	<u>\$ 19,295,219</u>	<u>\$ 15,181,559</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Agency obligations	\$ --	\$ 15,181,559
Net Assets:		
Held in trust for external participants	<u>19,295,219</u>	<u>--</u>
Total Liabilities and Net Assets	<u>\$ 19,295,219</u>	<u>\$ 15,181,559</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF AMADOR

Statement of Changes in Fiduciary Net Assets Fiduciary Funds For the Year Ended June 30, 2008

	Investment Trust Funds
ADDITIONS:	
Net investment earnings	\$ 22,451,578
Contributions to investment pool	<u>216,408,926</u>
Total Additions	238,860,504
DEDUCTIONS:	
Distributions from investment pool	<u>771,277,853</u>
CHANGE IN NET ASSETS	(532,417,349)
NET ASSETS, BEGINNING	<u>551,712,568</u>
NET ASSETS, ENDING	<u><u>\$ 19,295,219</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provided in the financial section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a summary of significant accounting policies for the County, and other necessary disclosure of pertinent matters relating to the financial position of the County. The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 1: Summary of Significant Accounting Policies

A. **Description of the Reporting Entity**

The County of Amador (County), the primary government, is a political subdivision of the State of California. It is governed by an elected board of five County Supervisors. The County provides various services on a county-wide basis including law enforcement, education, detention, social health, fire protection, road construction and maintenance, elections and records, planning, zoning, and tax collection. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board Statement No. 14.

The decision to include a component unit in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14. The basic criteria used in the determination of component units are financial accountability of the County for the component unit. Financial accountability generally is defined as the appointment of a voting majority of the component unit's board and the County's ability to impose its will on the organization.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with the data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30th year end.

The following entities have been classified as blended component units of the County:

Amador County Public Facilities	Amador Fire Protection District
Financing Authority	Amador IHSS Public Authority
Victory Lighting	CSA's 5, 6 and 8

The above component units are legally separate entities governed by the County's Board of Supervisors; as such, their financial data has been combined with the County's financial data and presented as blended component units.

Discretely Presented Component Units – There are no component units of the County which meet the criteria for discrete presentation.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 1: Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net assets are available, restricted resources are used first before unrestricted resources are used.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. *Operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of each fund. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses include costs of providing services and delivering goods. All other expenses not meeting this definition are reported as nonoperating expenses.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.
- The *Social Service Fund* is used to administer social services that promote job-readiness and self-sufficiency of individuals and families.
- The *Road Fund* is used to account for the planning, design, construction, maintenance and administration of the County's roads and infrastructure.
- The *County Improvement Fund* is used to account for the acquisition and construction of County facilities.
- The *Water Development sinking Fund* is used to account for the development of new or additional water for Amador County.

The County reports the following major enterprise funds:

- The *Waste Management Fund* is used to provide for operations and maintenance of the County's closed landfill, the collection and disposal of household hazardous wastes, the development and implementation of recycling and waste reduction and recycling programs countywide.
- The *Airport Fund* is used to operate the County's airport for business and recreational use of County residents and visitors.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance, purchasing and copy services provided to other departments or other governments and the County's self-insurance programs. Activities include the County's self-insurance programs, providing services to County-governed districts, service areas and advisory councils and equipment financing of the County.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 1: Summary of Significant Accounting Policies (continued)

B. **Basis of Presentation** (continued)

Fund Financial Statements (continued)

- The *Investment Trust Fund* accounts for the external portion of the County's Investment Pool which commingles resources of legally separate local governments within the County in an investment portfolio for the benefit of all participants. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities. These funds represent the assets, primarily cash and investments, and the related liabilities of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for the state and various local governments. These funds typically do not involve a formal trust agreement and are used to account for situations where the role is purely custodial such as the receipt, temporary investment or remittance of fiduciary resources.

C. **Basis of Accounting**

The government-wide, proprietary, and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available ("susceptible to accrual"). Property and sales taxes, interest, state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 1: Summary of Significant Accounting Policies (continued)

C. **Basis of Accounting** (continued)

in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

D. **Investments**

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, obligations of the state or any local agency of the State of California, bankers' acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund. The County Treasurer may also invest in certain open-ended mutual funds permitted by the Government Code.

In accordance with GASB Statement No. 31, investments are reported on the statement of net assets/balance sheet at their fair value and all changes in fair value are reflected in income. Fair values were obtained from custodial statements for all investments. Investments are marked to fair value annually and an adjustment is made to each fund accordingly. The fair value of each participant's position in the pool is the same as the value of the pool shares determined on a dollar-to-dollar basis, adjusted for investment income distributed at the end of each quarter. Only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

E. **Cash and Cash Equivalents**

For purposes of the statements of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's Investment Pool, to be cash equivalents.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 1: Summary of Significant Accounting Policies (continued)

F. **Accounts Receivable and Deferred Revenues**

Receivables consist mostly of amounts due from other agencies. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

The County reports unearned revenue on its financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability of unearned revenue is removed from the financial statements and revenue is recognized.

G. **Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources is reported as a long-term liability in the government-wide financial statements. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

H. **Encumbrances**

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

I. **Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 1: Summary of Significant Accounting Policies (continued)

I. **Capital Assets** (continued)

certain improvements including roads, bridges, water/sewer, lighting system, draining systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 for equipment and \$10,000 for buildings and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment	3 to 20 years

The County has five networks of infrastructure assets – roads, water/sewer, lighting, drainage, and flood control.

J. **Interfund Transactions**

Interfund transactions are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 1: **Summary of Significant Accounting Policies** (continued)

K. Other Assets

Inventory: Inventory consists of expendable supplies held for consumption. In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting of inventory is used where cost is recorded as an expenditure at the time individual inventory items are used. For the governmental fund types, the reserve for inventory indicates that a portion of the fund balance is not an available financial resource.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

L. Use of Estimates

The preparation of the general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and the reported amount of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Note 2: **Cash and Investments**

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed quarterly to the participating funds using a formula based on the average daily cash balance of each fund. The County has not provided or obtained any legally binding guarantees during the fiscal year ended June 30, 2008, to support the value of shares in the Treasurer's Investment Pool.

The investment pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 2: Cash and Investments (continued)

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority: safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6, Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

At June 30, 2008, total County cash and investments were as follows:

Cash:

Cash on hand	\$ 431,968
Deposits	2,427,888
Outstanding warrants	<u>(5,785,069)</u>
Total cash overdrafts	<u>(2,925,213)</u>

Investments:

In Treasurer's pool	72,946,264
Held with fiscal agents	<u>48</u>
Total investments	<u>72,946,312</u>

Total cash and investments \$ 70,021,099

Total cash and investments at June 30, 2008 were presented on the County's financial statements as follows:

	Primary Government	Investment Trust Fund	Agency Funds	Total
County Investment Pool:				
Unrestricted	\$ 38,281,351	\$ 19,295,219	\$ 12,409,849	\$ 69,986,419
Restricted for Closure/Postclosure	<u>7,782</u>	<u>--</u>	<u>--</u>	<u>7,782</u>
Total in County Investment Pool	38,289,133	19,295,219	12,409,849	69,994,201
Cash with fiscal agents	48	--	--	48
Imprest cash	<u>26,850</u>	<u>--</u>	<u>--</u>	<u>26,850</u>
Total	<u>\$ 38,316,031</u>	<u>\$ 19,295,219</u>	<u>\$ 12,409,849</u>	<u>\$ 70,021,099</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 2: Cash and Investments (continued)

Deposits – Custodial Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure the County's cash deposits by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits.

Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 Years	None	None
U.S. Treasury Bills	1 Year	None	None
U.S. Agency Securities (Excluding Discount Notes)	5 Years	75%	35%
U.S. Agency Discount Notes	1 Year	None	None
Banker's Acceptances	180 Days	25%	5%
Commercial Paper - Select Agencies	270 Days	25%	5%
Commercial Paper - Other Agencies	270 Days	25%	5%
Negotiable Certificates of Deposit	3 Years	25%	5%
Non-negotiable Certificates of Deposit	3 Years	25%	5%
Repurchase Agreements	180 Days	20%	None
Medium-Term Corporate Notes	3 years	25%	5%
Money Market Funds	N/A	10%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$40 Million
California Asset Management Program (CAMP)	N/A	None	\$15 Million
CalTRUST	N/A	None	\$5 Million
Passbook Savings/Demand Deposit/Checking Accounts	N/A	None	None

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 2: Cash and Investments (continued)

Investments (continued)

At June 30, 2008, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	Carrying Value	Weighted Average Maturity (Years)
Investments in Investment Pool						
U.S. Treasury Notes	2.625% - 4.875%	10/15/08 - 3/31/12	\$ 4,000,000	\$ 4,069,533	\$ 4,013,646	1.36
U.S. Government Agencies	2.625% - 7.000%	8/15/08 - 6/26/13	20,900,000	21,134,023	20,978,007	3.01
Corporate Medium-Term Notes	3.125% - 7.375%	7/15/08 - 3/15/10	9,000,000	9,077,870	9,082,902	0.79
California Asset Management Program (CAMP)	N/A	On Demand	7,796,633	7,796,633	7,796,633	0.00
Local Agency Investment Fund (LAIF)	N/A	On Demand	31,075,076	31,073,529	31,075,076	0.00
Total			<u>\$ 72,771,709</u>	<u>\$ 73,151,588</u>	<u>\$ 72,946,264</u>	<u>1.05</u>
Investments outside Investment Pool						
Cash held with fiscal agent			\$ 48	\$ 48	\$ 48	0.00
Money market mutual funds			\$ 48	\$ 48	\$ 48	0.00

Pooled investments are carried at cost or amortized cost. In accordance with Government Accounting Standards Board Statement No. 31, the County calculated the fair value of all investments included in the pooled investments based on quoted market prices. At June 30, 2008 the difference between the cost and fair value of cash and investments was not material (fair value was 100.28% of carrying value). Therefore, an adjustment to fair value was not required.

Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy.

Credit Risk

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State law and the County's Investment Policy also limit investments in corporate bonds to the rating of A by Standard & Poor's and Moody's Investors Service. The County does not have credit limits on government agency securities.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 2: Cash and Investments (continued)

Concentration of Credit Risk

At June 30, 2008, in accordance with state law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds or medium term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2008.

	S&P	Moody's	Based on Fair Value % of Portfolio
U.S. Treasury Notes	AAA	Aaa	5.56%
U.S. Government Agencies (FNMA)	AAA	Aaa	6.72%
U.S. Government Agencies (FHLB)	AAA	Aaa	6.93%
U.S. Government Agencies (FHLMC)	AAA	Aaa	8.33%
U.S. Government Agencies (FFCB)	AAA	Aaa	6.91%
Corporate Medium-Term Notes (Allstate Life)	AA	Aa2	0.69%
Corporate Medium-Term Note (Berkshire Hathaway)	AAA	Aaa	0.69%
Corporate Medium-Term Note (Citigroup)	AA-	Aa3	0.68%
Corporate Medium-Term Note (GECC)	AAA	Aaa	2.77%
Corporate Medium-Term Note (Goldman Sachs)	AA-	Aa3	0.70%
Corporate Medium-Term Note (Merrill Lynch)	A	A2	1.37%
Corporate Medium-Term Note (Toyota)	AAA	Aaa	0.69%
Corporate Medium-Term Note (Wachovia Bank)	AA-	Aa2	1.38%
Corporate Medium-Term Note (Walmart)	AA	Aa2	0.71%
Corporate Medium-Term Note (Wells Fargo Fin)	AA+	Aa1	0.68%
Corporate Medium-Term Note (Wells Fargo Co)	AA+	Aa1	2.05%
California Asset Management Program (CAMP)	AAAm	Unrated	10.66%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	42.48%
Total			<u>100.00%</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 2: Cash and Investments (continued)

Custodial Credit Risk

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool had no securities exposed to custodial credit risk.

Local Agency Investment Fund

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisor Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The value of the County's investment in this pool is reported in the accompanying financial statements at amortized cost. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

At June 30, 2008, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$31,075,076 which approximates fair value. The total amount invested by all public agencies in LAIF on that day was approximately \$70 billion. Of that amount, 85.28% was invested in non-derivative financial products and 14.72% in structured notes and asset-backed securities. Fair value is based on information provided by the state for the Local Agency Investment Fund.

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2008:

Statement of Net Assets

Net assets held for pool participants	<u>\$ 69,994,201</u>
Equity of internal pool participants	\$ 50,698,982
Equity of external pool participants	19,295,219
Total net assets	<u>\$ 69,994,201</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 2: Cash and Investments (continued)

County Investment Pool Condensed Financial Statements (continued)

Statement of Changes in Net Assets

Investment earnings	\$ 3,217,048
Investment expenses	(277,504)
Net withdrawals by pool participants	<u>(651,056)</u>
Increase in Net Assets	2,288,488
Net Assets at July 1, 2007	<u>67,705,713</u>
Net assets at June 30, 2008	<u>\$ 69,994,201</u>

Note 3: Interfund Transactions

Advances to/from other funds:

<u>Receivable From</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Social Services	\$ 200,000	Initial deposit to establish department
	Waste Management	<u>1,172,800</u>	Project financing
		1,372,800	
County Improvement	Waste Management	<u>946,600</u>	Project financing
		<u>\$ 2,319,400</u>	

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 3: Interfund Transactions (continued)

Transfers:

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenue. The following schedule briefly summarizes the County's transfer activities;

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	County Improvement	\$ 2,308,333
	Other Governmental Funds	979,000
	Internal Service Funds	566,020
	Airport Enterprise	<u>50,000</u>
		<u>\$ 3,072,521</u>

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers & Adjustments</u>	<u>Balance June 30, 2008</u>
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 4,694,096	\$ --	\$ --	\$ --	\$ 4,694,096
Construction in progress	8,499,563	2,026,923	--	--	10,526,486
Total capital assets, not being depreciated	<u>13,193,659</u>	<u>2,026,923</u>	<u>--</u>	<u>--</u>	<u>15,220,582</u>
Capital assets, being depreciated:					
Infrastructure	40,921,270	--	--	--	40,921,270
Structures and improvements	37,151,987	--	--	--	37,151,987
Equipment	14,478,247	1,132,555	(951,785)	--	14,659,017
Total capital assets, being depreciated	<u>92,551,504</u>	<u>1,132,555</u>	<u>(951,785)</u>	<u>--</u>	<u>92,732,274</u>
Less accumulated depreciation for:					
Infrastructure	(32,180,414)	(693,116)	--	--	(32,873,530)
Structures and improvements	(6,297,724)	(874,414)	--	--	(7,172,138)
Equipment	(11,403,926)	(1,030,695)	924,907	--	(11,509,714)
Total accumulated depreciation	<u>(49,882,064)</u>	<u>(2,598,225)</u>	<u>924,907</u>	<u>--</u>	<u>(51,555,382)</u>
Total capital assets, being depreciated, net	<u>42,669,440</u>	<u>(1,465,670)</u>	<u>(26,878)</u>	<u>--</u>	<u>41,176,892</u>
Government activities capital assets, net	<u>\$ 55,863,099</u>	<u>\$ 561,253</u>	<u>\$ (26,878)</u>	<u>\$ --</u>	<u>\$ 56,397,474</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 4: Capital Assets (continued)

	Balance July 1, 2007	Additions	Deletions	Transfers & Adjustments	Balance June 30, 2008
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 2,176.875	\$ --	\$ --	\$ --	\$ 2,176.875
Construction in progress	--	--	--	--	--
Total capital assets, not being depreciated	<u>2,176.875</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,176.875</u>
Capital assets, being depreciated:					
Infrastructure	1,580.953	--	--	--	1,580.953
Structures and improvements	1,333.717	--	--	--	1,333.717
Equipment	82.758	--	(8,017)	--	74,741
Total capital assets, being depreciated	<u>2,997.428</u>	<u>--</u>	<u>(8,017)</u>	<u>--</u>	<u>2,989.411</u>
Less accumulated depreciation for:					
Infrastructure	(762.423)	(37.718)	--	--	(800.141)
Structures and improvements	(529.558)	(76.625)	--	--	(606.183)
Equipment	(60.963)	(2.615)	8,017	--	(55.561)
Total accumulated depreciation	<u>(1,352.944)</u>	<u>(116.958)</u>	<u>8,017</u>	<u>--</u>	<u>(1,461.885)</u>
Total capital assets, being depreciated, net	<u>1,644.484</u>	<u>(116.958)</u>	<u>--</u>	<u>--</u>	<u>1,527.526</u>
Business-type activities capital assets, net	<u>\$ 3,821.359</u>	<u>\$ (116.958)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,704.401</u>

Depreciation expense was charged to governmental functions as follows:

	<u>Total</u>
General government	\$ 735,040
Public protection	745,513
Public ways	778,780
Health and sanitation	28,058
Public assistance	16,928
Education	4,634
Culture and recreation	3,724
Depreciation on capital assets held by the County's internal service funds are charged to various functions based on their usage of the assets	<u>285,548</u>
Total	<u>\$ 2,598,225</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 4: Capital Assets (continued)

Depreciation expense was charged to the business-type functions as follows:

	<u>Total</u>
Waste Management	\$ 7,968
Airport	108,990
Total	<u>\$ 116,958</u>

Note 5: Long-Term Debt

Long-term liabilities at June 30, 2008 consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2007</u>
<u>Governmental Activities</u>						
2005 Certificates of Participation <i>construct County Administration Building</i>	8-1-2005	10-1-2025	4.00%	\$330,000 - \$670,000	\$ 9,090,000	\$ 8,760,000
<i>purchase of land at 13775 Mount Zion Road, Pine Grove</i>	11-9-2004	11-9-2009	4.29%	\$31,664 - \$37,457	172,500	73,374
Total Governmental Activities					<u>\$ 9,262,500</u>	<u>\$ 8,833,374</u>
<u>Business-Type Activities</u>						
Notes payable	2001	2018	5.66%	\$8,391 - \$16,446	\$ 194,000	\$ 122,052
Total Business-Type Activities					<u>\$ 194,000</u>	<u>\$ 122,052</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 5: Long-Term Debt (continued)

The following is a summary of long-term liability transactions for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008	Amounts Due Within One Year
Governmental Activities					
Certificates of participation	\$ 9,090,000	\$ --	\$ 330,000	\$ 8,760,000	\$ 340,000
Notes Payable - Fire Protection District	177,907	--	104,532	73,375	35,917
Compensated absences	1,722,093	98,831	--	1,820,924	910,461
Liability for self-insurance	110,000	108,269	68,269	150,000	--
Total Governmental Activities Long-term liabilities	<u>\$ 11,100,000</u>	<u>\$ 207,100</u>	<u>\$ 502,801</u>	<u>\$ 10,804,299</u>	<u>\$ 1,286,378</u>
Business-type Activities					
Notes Payable - Airport	\$ 133,128	\$ --	\$ 11,076	\$ 122,052	\$ 11,747
Compensated absences	2,509	2,073	--	4,582	2,291
Post-closure liability	2,856,930	3,500,620	--	6,357,550	191,000
Total Business-type Activities Long-term liabilities	<u>\$ 2,992,567</u>	<u>\$ 3,502,693</u>	<u>\$ 11,076</u>	<u>\$ 6,484,184</u>	<u>\$ 205,038</u>

As of June 30, 2008, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30:	Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest
2009	\$ 340,000	\$ 354,419	\$ 35,917	\$ 3,148
2010	355,000	340,519	37,458	1,607
2011	370,000	326,019	--	--
2012	385,000	310,919	--	--
2013	400,000	295,219	--	--
2014-2018	2,245,000	1,218,594	--	--
2019-2023	2,735,000	717,616	--	--
2024-2026	1,930,000	129,063	--	--
	<u>\$ 8,760,000</u>	<u>\$ 3,692,368</u>	<u>\$ 73,375</u>	<u>\$ 4,755</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 5: **Long-Term Debt** (continued)

As of June 30, 2008, annual debt service requirements of business activities to maturity are as follows:

Year Ending June 30:	Business Activities	
	Loans Payable	
	Principal	Interest
2009	\$ 11,747	\$ 6,913
2010	12,419	6,247
2011	13,090	5,544
2012	13,761	4,803
2013	14,433	4,023
2014-2017	56,602	7,539
	<u>\$ 122,052</u>	<u>\$ 35,069</u>

Claims and judgments will be paid from the County's Insurance Fund. Compensated absences liabilities will be paid by several of the County's funds, including the general fund, five special revenue funds, three internal service funds, and one enterprise fund. Historically, 96 percent of these costs have been paid from the County's governmental funds, with the remaining 4 percent paid from its proprietary funds.

Special Assessment Debt: The total matured and unmatured bonds outstanding related to special assessment debt is \$559,327 at June 30, 2008. The County acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The County is not liable for repayment of the special assessment debt, and accordingly, they are not reflected in the accompanying basic financial statements. Cash held on deposit of \$187,618 and corresponding amounts payable are reported in the Agency Fund.

Note 6: **Landfill Closure and Postclosure Maintenance Costs**

The Buena Vista Landfill, located in Amador County, is used as the County's landfill site. State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. During fiscal year ended June 30, 2005, the landfill was closed and no longer accepts waste. As of June 30, 2008, additional work was required to perform correction construction work which would complete closure activities for the landfill, pending certification by the state.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 6: **Landfill Closure and Postclosure Maintenance Costs** (continued)

The recognition of the estimated liability for closure and post closure maintenance costs is based on the estimated remaining life of the landfill. The estimated liability of the County's landfill site for closure and postclosure maintenance costs was \$6,357,550 for fiscal year 2008, and was based on 100% usage (filled) of the landfill. It is estimated that no additional liability will be recognized as closure and postclosure maintenance costs because the landfill has been closed. The estimated total current cost of the landfill closure and postclosure maintenance cost of \$6,357,550 is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of the balance sheet date. However, the costs for landfill closure and post closure maintenance are based on yearly estimates, reviewed by the California Integrated Waste Management Board, as prepared by the County. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust fund to finance closure and post closure cost. The County is in compliance with these requirements, and at June 30, 2008, cash and investments of \$7.782 are held for these purposes. These are reported as restricted assets on the Landfill Enterprise statement of net assets. Future landfill revenues have been pledged to fulfill financial assurance requirements. Also, the County's general fund will cover the remainder of the estimated costs not covered by restricted cash and investments or pledged revenues.

Note 7: **Public Employee Retirement System**

Plan Description

The County contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan for its miscellaneous plan. The County also contributes to the PERS cost-sharing multiplier-employer public employee defined benefit pension plan for its safety employees. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute. Copies of PERS' annual financial reports may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 7: Public Employee Retirement System (continued)

Funding Policy

County employees are required by state statute to contribute 7% for miscellaneous employees and 9% for safety employees of their annual covered salary. The County makes the contributions required of County employees on their behalf and for their account which amounted to \$1,733,357 for the year ended June 30, 2008. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rates for fiscal year 2007-2008 were 11.283% for miscellaneous employees and 23.59% for public safety employees. The contributions requirements of the plan members are established by states statute and the employer contribution rate is established and may be amended by PERS.

Annual Pension Cost

For fiscal year 2007-2008, the County's annual pension cost of \$3,365,651 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2005 actuarial assumptions included 7.75% investment rate of return (net of administrative expenses) and projected annual salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members and include an inflation component of 3.0%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and losses.

PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis.

Three-Year Trend Information for PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/06	\$ 2,486,481	100%	\$ --
06/30/07	1,610,238	100%	--
06/30/08	3,365,651	100%	--

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 7: Public Employee Retirement System (continued)

Funded Status and Funding Progress

The following is the funded status information for the County's miscellaneous plan as of June 30, 2007, the most recent actuarial valuation date:

Entry age normal accrued liability	\$ 80,683,864
Actuarial value of assets	73,474,207
Unfunded (overfunded) liability (UAAC)	7,209,657
Funded ratio	91.1%
Annual covered payroll	17,250,905
UAAL as a % of payroll	41.8%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 8: Property Taxes

The County levies property taxes July 1 on assessed values established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the 1975-76 base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index not to exceed an increase of 2% per year.

Article XIII-A of the California Constitution (Proposition 13) requires the County Assessor to reappraise all property from the 1975-76 base year value to current full value upon either a change in ownership or new construction. Thereafter, it continues to be increased annually by the change in the California Consumer Price Index not to exceed 2%. The net asset value for the 2007-2008 fiscal year is \$4.3 billion.

The County is permitted by Division 1, Part 0.5, Chapter 5.5, of the California Revenue and Taxation Code, to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation bonds or other indebtedness approved by voters prior to July 1, 1978. Taxes are allocated to local agencies and school districts as outlined in Chapter 6 of the California Revenue and Taxation Code.

Taxes are due in one installment (unsecured roll) when billed and are subject to late payment penalties if paid after August 31, or two installments (secured roll) due on November 1 and March 1, and subject to the late payment penalties if paid after

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 8: **Property Taxes** (continued)

December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

The County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code. This provision is otherwise known as the "Teeter Plan." Under this method, the accounts of political subdivisions that adopted the Teeter Plan and levy taxes on the County tax roll are credited with 100% of their respective secured tax levy, regardless of the actual payments and delinquencies. This method then provides for Teetered delinquent penalties and redemptions to flow to the County's general fund.

Pursuant to Section 4703 of the California Revenue and Taxation Code, all counties electing to operate under the "Teeter Plan," are required to maintain a Property Tax Losses Reserve Fund. The fund is used to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property. Whenever in any year the amount of the Tax Losses Reserve Fund has reached an amount equivalent to 1% of the total of all taxes and assessments levied on the secured roll for that year, the excess may be credited to the County's General Fund. The Tax Losses Reserve Fund balance is in excess of the statutory 1% minimum.

Note 9: **Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County is a member of the County supervisors Association of California Excess Insurance Authority (CSAC-EIA), a public entity risk pool currently operating as a common risk manager and insurance program for counties. Should actual losses among pool participants be greater than anticipated, the County will be assessed its prorate share of the deficiency. Conversely, if the actual pool losses are less than anticipated, the County will be refunded its prorate share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The County maintains a risk management internal service fund (Self-Insurance Fund) to consolidate the County's fully insured Worker's Compensation program and the general liability, medical malpractice and property insurance programs that are partially self-insured. Fund revenues are primarily premium charges to other funds and are planned to equal workers' compensation premiums, estimated payments resulting from self-insurance programs, liability insurance coverage in excess of the self-insured amount and operating expenses.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 9: **Risk Management** (continued)

The County maintains a self-insured retention (SIR) of \$100,000 for its general liability program, \$10,000 per occurrence for its medical malpractice program and \$5,000 for its property program. A commercial insurance policy has been purchased, that covers all SIR related losses except for the first \$10,000. Losses which exceed the SIR are covered by the excess insurance policy described above.

The Total claims liability of \$150,000 at June 30, 2008, is based on the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10, as amended by GASB Statement No. 30. These statements require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated.

Estimates of the liabilities for incurred (both reported and unreported) but unpaid claims, are based on claims loss reports. Liabilities are based on the estimated cost of settling the claims.

Changes in the County's claims liabilities amount for the fiscal years ended June 30, 2008 and 2007, were as follows:

	<u>2008</u>	<u>2007</u>
Unpaid claims, beginning of year	\$ 110,000	\$ 190,000
Estimated claims incurred and adjustments	108,269	(26,494)
Claims payments	<u>(68,269)</u>	<u>(53,506)</u>
Unpaid claims, end of year	<u>\$ 150,000</u>	<u>\$ 110,000</u>

Note 10: **Net Assets/Fund Balances**

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 10: Net Assets/Fund Balances (continued)

- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Included in governmental activities restricted net assets at June 30, 2008, are net assets restricted by enabling legislation of \$242,897.
- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

As of June 30, 2008, reservations of fund balance are described below:

The term “reserved” is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The County’s management will sometimes designate portions of unreserved (available) fund balance based on tentative future spending plans.

Designated portions of fund balance represent financial resources legally available for uses other than those tentatively planned.

The County has “reserved” fund balances as follows:

- Reserve for Imprest Cash was created to represent the portion of the fund balance that is not available for expenditure because the County maintains various levels of revolving funds for daily operations.
- Reserve for Inventory was created to represent the portion of the fund balance that is not available for expenditure because the County expects to use these resources within the next budgetary period.
- Reserve for Encumbrances was created to represent encumbrances outstanding at the end of the fiscal year, based on purchase orders and contracts signed by the County but not completed as of the close of the fiscal year.
- Reserve for Loans and Advances was created to represent long-term receivables and interfund loans not available to finance current year expenditures.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 10: **Net Assets/Fund Balances** (continued)

- Reserve for Debt Service was created to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- Reserve for General was created to represent the portion of fund equity the County expects to use for unpredicted future events.

Note 11: **Joint Venture**

Central Sierra Child Support Agency

The Central Sierra Child Support Agency (the Agency) acts as the local child support agency for Amador, Alpine and Calaveras counties. The Agency operates under a Joint Powers Agreement between Amador, Alpine and Calaveras counties and in compliance with the applicable standards and regulations set forth by the State of California. Central Sierra Child Support Agency has an independent governing board including members from the Board of Supervisors of Amador, Alpine and Calaveras counties. The Agency is a public agency, which is separate and apart from its constituent county. Financial statements for the Authority can be obtained by contacting the Authority at 639 New York Ranch Road, Jackson CA 95642.

Note 12: **Contingent Liabilities**

Federal Grants – The County participates in several federal and state grant programs. These programs have been audited in accordance with the provisions of the federal Single Audit Act of 1984 and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The County expects such amounts, if any, to be immaterial.

Note 13: **Operating Lease Commitments**

The County has commitments under long-term operating lease agreements for leased office space. Total rent expense under operating lease agreements during the year ended June 30, 2008 was approximately \$714,000.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 13: **Operating Lease Commitments** (continued)

The minimum rental payments required under the operating lease commitments at June 30, 2008, was as follows:

<u>Year Ending June 30:</u>	
2009	\$ 1,428,840
2010	1,428,840
2011	1,428,840
2012	1,428,840
2013	1,428,840
2014-2018	7,144,200
2019-2023	<u>6,429,780</u>
	<u>\$ 20,718,180</u>

Note 14: **Subsequent Events**

Court Facilities Transfer

In compliance with California's Trial Court Facilities Act of 2002, the County transferred county-owned court facilities to the State of California on August 25, 2008. The County incurred \$8,053,579 in costs to renovate its former administrative facility as the final step in completing the transition of court facilities from the County's responsibility to State of California.

Issuance of Clean Renewable Energy Bonds

On April 25, 2006, the County submitted an application to the Internal Revenue Service for the authority to issue \$2,300,000 in Clean Renewable Energy Bonds (CREBs). The CREBs program is a special no interest federal loan program for financing qualified renewable energy projects. The U.S. Congress imposed a maximum limit of \$800 million for the program as a whole. Of this amount, \$500 million was allocated to qualified borrowers that are government agencies. The County's application included construction, installation and operation of a solar energy facility at the Amador County Administration Building, 810 Court Street, Jackson, California.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2008

Note 14: **Subsequent Events** (continued)

On November 13, 2006, the County was notified that the IRS has accepted the County's request for CREBs funding as described above. On November 21, 2008, the County issued CREBs bonds with a face amount of \$783,625. Proceeds of the bonds were transferred to Municipal Finance Corporation, a component unit of the State of California, for the purpose of reimbursing the State for the cost of acquiring and installing the solar energy facility. Principal payments are due annually in the amount of \$52,242. The bonds mature November 2022.

**REQUIRED
SUPPLEMENTARY INFORMATION**

COUNTY OF AMADOR

Required Supplementary Information
For the Fiscal Year Ended June 30, 2008

SCHEDULE OF FUNDING PROGRESS

The table below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30:

SAFETY PLAN

This information is no longer available for the Safety Plan. Information is available on a pooled-basis only and can be obtained from CalPERS, P.O. Box 942709, Sacramento, CA 94229-2709.

MISCELLANEOUS PLAN

<u>Actuarial Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Actuarial Asset Value</u>	<u>Underfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Underfunded Actuarial Liability as Percentage of Covered Payroll</u>
06/30/05	\$ 67,435,716	\$ 62,910,979	\$ 4,524,737	93.3%	14,522,614	31.2%
06/30/06	73,493,638	67,460,456	6,033,182	91.8%	15,619,449	38.6%
06/30/07	80,683,864	73,474,207	7,209,657	91.1%	17,250,905	41.8%

COUNTY OF AMADOR

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Fund For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 20,120,000	\$ 20,120,000	\$ 23,986,236	\$ 3,866,236
Licenses and permits	858,069	921,569	836,529	(85,040)
Intergovernmental	9,456,114	10,448,306	7,001,564	(3,446,742)
Fines and forfeitures	2,245,038	2,245,038	930,149	(1,314,889)
Use of money and property	604,950	604,950	1,020,912	415,962
Charges for services	3,466,919	3,552,940	2,817,025	(735,915)
Other	469,763	456,161	511,755	55,594
Total Revenue	<u>37,220,853</u>	<u>38,348,964</u>	<u>37,104,170</u>	<u>(1,244,794)</u>
EXPENDITURES				
General Government:	9,757,674	10,755,283	5,639,164	5,116,119
Public Protection:	26,756,015	28,330,022	25,405,736	2,924,286
Health and Sanitation:	--	--	700	(700)
Public Assistance:	127,135	129,155	127,401	1,754
Education:	1,267,328	1,286,193	1,188,628	97,565
Culture and Recreation:	421,134	503,015	452,087	50,928
Total Expenditures	<u>38,329,286</u>	<u>41,003,668</u>	<u>32,813,716</u>	<u>8,189,952</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,108,433)</u>	<u>(2,654,704)</u>	<u>4,290,454</u>	<u>6,945,158</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(1,259,829)	(921,079)	--	921,079
Transfers	(3,665,020)	(3,655,020)	(3,903,353)	(248,333)
Total other financing sources (uses)	<u>(4,924,849)</u>	<u>(4,576,099)</u>	<u>(3,903,353)</u>	<u>672,746</u>
Net change in fund balance	(6,033,282)	(7,230,803)	387,101	7,617,904
Fund balance, beginning of fiscal year	<u>19,496,518</u>	<u>19,496,518</u>	<u>19,496,518</u>	<u>--</u>
Fund balance, end of fiscal year	<u>\$ 13,463,236</u>	<u>\$ 12,265,715</u>	<u>\$ 19,883,619</u>	<u>\$ 7,617,904</u>

COUNTY OF AMADOR

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Social Services For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Intergovernmental	\$ 10,100,563	\$ 10,100,563	7,947,094	\$ (2,153,469)
Use of money and property	--	--	56,206	56,206
Other	77,800	77,800	37,818	(39,982)
Total Revenue	10,178,363	10,178,363	8,041,118	(2,137,245)
Expenditures:				
Current:				
Public assistance	10,178,363	10,178,363	8,927,230	1,251,133
Total Expenditures	10,178,363	10,178,363	8,927,230	1,251,133
Change in Fund Balance	--	--	(886,112)	(886,112)
Fund Balance, Beginning of Fiscal Year	1,406,207	1,406,207	1,406,207	--
Fund Balance, End of Fiscal Year	<u>\$ 1,406,207</u>	<u>\$ 1,406,207</u>	<u>\$ 520,095</u>	<u>\$ (886,112)</u>

COUNTY OF AMADOR

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Road For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 812,000	\$ 812,000	\$ 694,572	(117,428)
Licenses and permits	90,400	90,400	84,158	(6,242)
Intergovernmental	9,401,469	9,692,224	9,045,412	(646,812)
Fines and forfeitures	45,000	45,000	78,469	33,469
Use of money and property	20,000	20,000	69,161	49,161
Charges for services	955,000	955,000	941,671	(13,329)
Other	--	--	14,441	14,441
Total Revenue	<u>11,323,869</u>	<u>11,614,624</u>	<u>10,927,884</u>	<u>(686,740)</u>
Expenditures:				
Current:				
Public Ways	<u>10,421,074</u>	<u>10,832,063</u>	<u>8,729,183</u>	<u>2,102,880</u>
Total Expenditures	<u>10,421,074</u>	<u>10,832,063</u>	<u>8,729,183</u>	<u>2,102,880</u>
Change in Fund Balance	902,795	782,561	2,198,701	1,416,140
Fund Balance, Beginning of Fiscal Year	<u>1,190,379</u>	<u>1,190,379</u>	<u>1,190,379</u>	<u>--</u>
Fund Balance, End of Fiscal Year	<u>\$ 2,093,174</u>	<u>\$ 1,972,940</u>	<u>\$ 3,389,080</u>	<u>\$ 1,416,140</u>

COUNTY OF AMADOR

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2008

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are approved by the Board of Supervisors. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The budget approved by the Board of Supervisors for the general fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other Governmental Funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

Budgets are adopted on a basis which materially conforms to generally accepted accounting principles. Unexpended appropriations lapse at year end.

SUPPLEMENTARY INFORMATION

COUNTY OF AMADOR

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2008

	Special Revenue	Capital Projects	Debt Service	Totals
<u>Assets</u>				
Cash and investments	\$ 3,493,126	\$ 240,988	\$ 84,081	\$ 3,818,195
Cash with fiscal agent	--	--	48	48
Imprest cash	200	--	--	200
Due from other governments	174,925	--	--	174,925
Interest receivable	14,072	1,909	343	16,324
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 3,682,323</u>	<u>\$ 242,897</u>	<u>\$ 84,472</u>	<u>\$ 4,009,692</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 130,873	\$ --	\$ --	\$ 130,873
Due to other governments	676,752	--	--	676,752
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>807,625</u>	<u>--</u>	<u>--</u>	<u>807,625</u>
Fund Balances:				
Reserved:				
Imprest cash	200	--	--	200
Encumbrances	50,767	--	--	50,767
General	612,098	--	--	612,098
Unreserved:				
Undesignated	2,211,633	242,897	84,472	2,539,002
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>2,874,698</u>	<u>242,897</u>	<u>84,472</u>	<u>3,202,067</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 3,682,323</u>	<u>\$ 242,897</u>	<u>\$ 84,472</u>	<u>\$ 4,009,692</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2008

	Special Revenue	Capital Projects	Debt Service	Total
Revenues:				
Taxes	\$ 22,640	\$ --	\$ --	\$ 22,640
Licenses and permits	--	201,800	--	201,800
Intergovernmental	6,382,786	--	--	6,382,786
Fines and forfeitures	187,996	--	--	187,996
Use of money and property	129,101	6,423	6,879	142,403
Charges for services	1,629,956	--	67,200	1,697,156
Other	442,267	23,572	--	465,839
Total Revenues	<u>8,794,746</u>	<u>231,795</u>	<u>74,079</u>	<u>9,100,620</u>
Expenditures:				
Current:				
General government	--	14,549	--	14,549
Public protection	1,449,447	--	--	1,449,447
Health and sanitation	8,144,784	--	--	8,144,784
Debt Service:				
Principal payments	104,533	--	330,000	434,533
Interest and fiscal charges	8,949	--	369,105	378,054
Total Expenditures	<u>9,707,713</u>	<u>14,549</u>	<u>699,105</u>	<u>10,421,367</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(912,967)</u>	<u>217,246</u>	<u>(625,026)</u>	<u>(1,320,747)</u>
Other Financing Sources (Uses):				
Transfers in	279,000	--	700,000	979,000
Total Other Financing Sources (Uses)	<u>279,000</u>	<u>--</u>	<u>700,000</u>	<u>979,000</u>
Change in Fund Balances	(633,967)	217,246	74,974	(341,747)
Fund Balances, Beginning of Fiscal Year	<u>3,508,665</u>	<u>25,651</u>	<u>9,498</u>	<u>3,543,814</u>
Fund Balances, End of Fiscal Year	<u>\$ 2,874,698</u>	<u>\$ 242,897</u>	<u>\$ 84,472</u>	<u>\$ 3,202,067</u>

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

COUNTY OF AMADOR

Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2008

	Memorial Hall	Mental Health	Health	Fish & Game
<u>Assets</u>				
Cash and investments	\$ 195,889	\$ 590,835	\$ 1,028,097	\$ 26,062
Imprest cash	--	--	--	--
Due from other governments	--	5,313	159,278	--
Interest receivable	1,688	1,153	4,150	--
 Total Assets	 <u>\$ 197,577</u>	 <u>\$ 597,301</u>	 <u>\$ 1,191,525</u>	 <u>\$ 26,062</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts payable	\$ --	\$ 26,361	\$ 39,666	\$ --
Due to other governments	--	--	--	--
 Total Liabilities	 <u>--</u>	 <u>26,361</u>	 <u>39,666</u>	 <u>--</u>
<u>Fund Balances:</u>				
Reserved:				
Imprest cash	--	--	--	--
Encumbrances	--	--	47,837	--
General	190,579	100,000	100,000	9,438
Unreserved:				
Unreserved, undesignated	6,998	470,940	1,004,022	16,624
 Total Fund Balances	 <u>197,577</u>	 <u>570,940</u>	 <u>1,151,859</u>	 <u>26,062</u>
 Total Liabilities and Fund Balances	 <u>\$ 197,577</u>	 <u>\$ 597,301</u>	 <u>\$ 1,191,525</u>	 <u>\$ 26,062</u>

COUNTY OF AMADOR

Combining Balance Sheet (continued) Nonmajor Special Revenue Funds June 30, 2008

	Miscellaneous Special Revenue Funds	Special Districts Governed by County Board of Supervisors			Totals
		Victory Lighting	IHSS Public Authority	Amador Fire Protection	
<u>Assets</u>					
Cash and investments	\$ 980,047	\$ 28,054	\$ 11,916	\$ 632,226	\$ 3,493,126
Imprest cash	--	--	100	100	200
Due from other governments	--	--	10,334	--	174,925
Interest receivable	--	239	365	6,477	14,072
Total Assets	\$ 980,047	\$ 28,293	\$ 22,715	\$ 638,803	\$ 3,682,323
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ --	\$ --	\$ 194	\$ 64,652	\$ 130,873
Due to other governments	676,752	--	--	--	676,752
Total Liabilities	676,752	--	194	64,652	807,625
<u>Fund Balances:</u>					
<u>Reserved:</u>					
Imprest cash	--	--	100	100	200
Encumbrances	--	--	2,129	801	50,767
General	--	24,960	46,951	140,170	612,098
<u>Unreserved:</u>					
Unreserved, undesignated	303,295	3,333	(26,659)	433,080	2,211,633
Total Fund Balances	303,295	28,293	22,521	574,151	2,874,698
Total Liabilities and Fund Balances	\$ 980,047	\$ 28,293	\$ 22,715	\$ 638,803	\$ 3,682,323

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended June 30, 2008

	Memorial Hall	Mental Health	Health	Fish & Game
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	2,440,687	3,145,100	--
Fines and forfeitures	--	84,009	88,921	15,066
Use of money and property	8,035	14,833	72,840	436
Charges for services	--	100,574	701,370	--
Other	--	168,383	105,279	--
Total Revenues	<u>8,035</u>	<u>2,808,486</u>	<u>4,113,510</u>	<u>15,502</u>
Expenditures:				
Current:				
Public protection	--	--	--	1,065
Health & Sanitation	--	2,746,956	5,112,516	--
Debt Service:				
Principal payments	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total Expenditures	<u>--</u>	<u>2,746,956</u>	<u>5,112,516</u>	<u>1,065</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>8,035</u>	<u>61,530</u>	<u>(999,006)</u>	<u>14,437</u>
Other Financing Sources (Uses):				
Transfers in	--	--	279,000	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>279,000</u>	<u>--</u>
Change in Fund Balances	8,035	61,530	(720,006)	14,437
Fund Balances, Beginning of Fiscal Year	<u>189,542</u>	<u>509,410</u>	<u>1,871,865</u>	<u>11,625</u>
Fund Balances, End of Fiscal Year	<u>\$ 197,577</u>	<u>\$ 570,940</u>	<u>\$ 1,151,859</u>	<u>\$ 26,062</u>

Continued

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued) Nonmajor Special Revenue Funds For the Year Ended June 30, 2008

	Miscellaneous Special Revenue Funds	Special Districts Governed by County Board of Supervisors			Totals
		Victory Lighting	IHSS Public Authority	Amador Fire Protection	
Revenues:					
Taxes	\$ --	\$ 2,785	\$ --	\$ 19,855	\$ 22,640
Intergovernmental	--	39	243,095	553,865	6,382,786
Fines and forfeitures	--	--	--	--	187,996
Use of money and property	762	1,091	1,905	29,199	129,101
Charges for services	189,208	--	--	638,804	1,629,956
Other	--	--	590	168,015	442,267
Total Revenues	<u>189,970</u>	<u>3,915</u>	<u>245,590</u>	<u>1,409,738</u>	<u>8,794,746</u>
Expenditures:					
Current:					
Public protection	--	840	--	1,447,542	1,449,447
Health & Sanitation	--	--	285,312	--	8,144,784
Debt Service:					
Principal payments	--	--	--	104,533	104,533
Interest and fiscal charges	--	--	--	8,949	8,949
Total Expenditures	<u>--</u>	<u>840</u>	<u>285,312</u>	<u>1,561,024</u>	<u>9,707,713</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>189,970</u>	<u>3,075</u>	<u>(39,722)</u>	<u>(151,286)</u>	<u>(912,967)</u>
Other Financing Sources (Uses):					
Transfers in	--	--	--	--	279,000
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>279,000</u>
Change in Fund Balances	189,970	3,075	(39,722)	(151,286)	(633,967)
Fund Balances, Beginning of Fiscal Year	<u>113,325</u>	<u>25,218</u>	<u>62,243</u>	<u>725,437</u>	<u>3,508,665</u>
Fund Balances, End of Fiscal Year	<u>\$ 303,295</u>	<u>\$ 28,293</u>	<u>\$ 22,521</u>	<u>\$ 574,151</u>	<u>\$ 2,874,698</u>

Nonmajor Capital Project Funds

Capital projects funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

COUNTY OF AMADOR

Combining Balance Sheet Nonmajor Capital Project Funds June 30, 2008

	<u>Parks & Rec Impact Fee</u>	<u>Amador Community Facility</u>	<u>Totals</u>
<u>Assets</u>			
Cash and investments	\$ 218,451	\$ 22,537	\$ 240,988
Interest receivable	<u>1,755</u>	<u>154</u>	<u>1,909</u>
Total Assets	<u>\$ 220,206</u>	<u>\$ 22,691</u>	<u>\$ 242,897</u>
<u>Fund Balance</u>			
Unreserved, undesignated	<u>\$ 220,206</u>	<u>\$ 22,691</u>	<u>\$ 242,897</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended June 30, 2008

	Parks & Rec Impact Fee	Amador Community Facility	Totals
Revenues:			
Licenses and permits	\$ 201,800	\$ --	\$ 201,800
Use of money and property	5,475	948	6,423
Other	--	23,572	23,572
Total Revenues	<u>207,275</u>	<u>24,520</u>	<u>231,795</u>
Expenditures:			
Current:			
General government	--	14,549	14,549
Total Expenditures	<u>--</u>	<u>14,549</u>	<u>14,549</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>207,275</u>	<u>9,971</u>	<u>217,246</u>
Change in Fund Balance	207,275	9,971	217,246
Fund Balance, Beginning of Fiscal Year	12,931	12,720	25,651
Fund Balance, End of Fiscal Year	<u>\$ 220,206</u>	<u>\$ 22,691</u>	<u>\$ 242,897</u>

Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government's council is that the costs of providing goods to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

COUNTY OF AMADOR

Combining Statement of Net Assets All Nonmajor Enterprise Funds June 30, 2008

	<u>CSA #4</u>	<u>CSA #5</u>	<u>CSA #6</u>	<u>CSA #8</u>	<u>Total</u>
<u>ASSETS</u>					
Current Assets:					
Cash and investments in Pool	\$ 41,144	\$ 253,968	\$ 16,715	\$ 57,100	\$ 368,927
Interest receivable	354	2,154	146	482	3,136
Due from other governments	--	38,223	--	--	38,223
Total Assets	<u>\$ 41,498</u>	<u>\$ 294,345</u>	<u>\$ 16,861</u>	<u>\$ 57,582</u>	<u>\$ 410,286</u>
<u>LIABILITIES</u>					
Current Liabilities:					
Deposits held for others	\$ --	\$ 245,802	\$ --	\$ --	\$ 245,802
Total Liabilities	<u>--</u>	<u>245,802</u>	<u>--</u>	<u>--</u>	<u>245,802</u>
<u>NET ASSETS</u>					
Unrestricted	<u>41,498</u>	<u>48,543</u>	<u>16,861</u>	<u>57,582</u>	<u>164,484</u>
Total Net Assets	<u>41,498</u>	<u>48,543</u>	<u>16,861</u>	<u>57,582</u>	<u>164,484</u>
Total Liabilities and Net Assets	<u>\$ 41,498</u>	<u>\$ 294,345</u>	<u>\$ 16,861</u>	<u>\$ 57,582</u>	<u>\$ 410,286</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures and Changes in Net Assets All Nonmajor Enterprise Funds For the Year Ended June 30, 2008

	<u>CSA #4</u>	<u>CSA #5</u>	<u>CSA #6</u>	<u>CSA #8</u>	<u>Total</u>
Operating Revenues:					
Charges for services	\$ --	\$ (238)	\$ 35,571	\$ --	\$ 35,333
Other	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,868</u>	<u>7,868</u>
Total Operating Revenues	<u>--</u>	<u>(238)</u>	<u>35,571</u>	<u>7,868</u>	<u>43,201</u>
Operating Expenses:					
Services and supplies	<u>--</u>	<u>3,633</u>	<u>20,500</u>	<u>1,578</u>	<u>25,711</u>
Total Operating Expenses	<u>--</u>	<u>3,633</u>	<u>20,500</u>	<u>1,578</u>	<u>25,711</u>
Operating Income (Loss)	<u>--</u>	<u>(3,871)</u>	<u>15,071</u>	<u>6,290</u>	<u>17,490</u>
Non-Operating Revenues (Expenses):					
Interest income	<u>1,688</u>	<u>10,037</u>	<u>388</u>	<u>2,152</u>	<u>14,265</u>
Total Non-Operating Revenues (Expenses)	<u>1,688</u>	<u>10,037</u>	<u>388</u>	<u>2,152</u>	<u>14,265</u>
Change in Net Assets	1,688	6,166	15,459	8,442	31,755
Net Assets, Beginning of Year	<u>39,810</u>	<u>42,377</u>	<u>1,402</u>	<u>49,140</u>	<u>132,729</u>
Net Assets, End of Year	<u>\$ 41,498</u>	<u>\$ 48,543</u>	<u>\$ 16,861</u>	<u>\$ 57,582</u>	<u>\$ 164,484</u>

COUNTY OF AMADOR

Combining Statement of Cash Flows All Nonmajor Enterprise Funds For the Year Ended June 30, 2008

	CSA #4	CSA #5	CSA #6	CSA #8	Total
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ --	\$ (3,910)	\$ 35,571	\$ 7,868	\$ 39,529
Payments to suppliers	--	(3,633)	(20,500)	(1,578)	(25,711)
Net Cash Provided (Used) by Operating Activities	--	(7,543)	15,071	6,290	13,818
Cash Flows from Investing Activities:					
Interest received	1,746	10,458	256	2,199	14,659
Net Cash Provided (Used) by Investing Activities	1,746	10,458	256	2,199	14,659
Net Increase (Decrease) in Cash and Cash Equivalents	1,746	2,915	15,327	8,489	28,477
Cash and Cash Equivalents, Beginning of Year	39,398	251,053	1,388	48,611	340,450
Cash and Cash Equivalents, End of Year	<u>\$ 41,144</u>	<u>\$ 253,968</u>	<u>\$ 16,715</u>	<u>\$ 57,100</u>	<u>\$ 368,927</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ --	\$ (3,871)	\$ 15,071	\$ 6,290	\$ 17,490
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Changes in assets and liabilities:					
Deposits held for Others	--	34,551	--	--	34,551
Due from other funds	--	(38,223)	--	--	(38,223)
Net Cash Provided (Used) by Operating Activities	<u>\$ --</u>	<u>\$ (7,543)</u>	<u>\$ 15,071</u>	<u>\$ 6,290</u>	<u>\$ 13,818</u>

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

COUNTY OF AMADOR

Combining Statement of Net Assets All Internal Service Funds June 30, 2008

	General Services Support	General Services Motor Pool	Communications	Self Insurance	Total
<u>ASSETS</u>					
Current Assets:					
Cash and investments in Pool	\$ 224,338	\$ 678,394	\$ 75,252	\$ 2,010,586	\$ 2,988,570
Imprest cash	2,150	--	--	50	2,200
Interest receivable	2,388	6,170	1,102	19,956	29,616
Total Current Assets	<u>228,876</u>	<u>684,564</u>	<u>76,354</u>	<u>2,030,592</u>	<u>3,020,386</u>
Noncurrent Assets:					
Capital Assets:					
Nondepreciable	15,000	--	--	--	15,000
Depreciable, net	30,525	806,160	4,547	--	841,232
Total Noncurrent Assets	<u>45,525</u>	<u>806,160</u>	<u>4,547</u>	<u>--</u>	<u>856,232</u>
Total Assets	<u>\$ 274,401</u>	<u>\$ 1,490,724</u>	<u>\$ 80,901</u>	<u>\$ 2,030,592</u>	<u>\$ 3,876,618</u>
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts payable	\$ 34,426	\$ 25,037	\$ 9,781	\$ 9,409	\$ 78,653
Current portion of long-term liabilities:					
Compensated absences	18,314	16,310	--	3,947	38,571
Total Current Liabilities	<u>52,740</u>	<u>41,347</u>	<u>9,781</u>	<u>13,356</u>	<u>117,224</u>
Long-term Liabilities:					
Compensated absences	18,314	16,311	--	3,947	38,572
Claims liability	--	--	--	150,000	150,000
Total Long-term Liabilities	<u>18,314</u>	<u>16,311</u>	<u>--</u>	<u>153,947</u>	<u>188,572</u>
Total Liabilities	<u>71,054</u>	<u>57,658</u>	<u>9,781</u>	<u>167,303</u>	<u>305,796</u>
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	45,525	806,160	4,547	--	856,232
Unrestricted	157,822	626,906	66,573	1,863,289	2,714,590
Total Net Assets	<u>203,347</u>	<u>1,433,066</u>	<u>71,120</u>	<u>1,863,289</u>	<u>3,570,822</u>
Total Liabilities and Net Assets	<u>\$ 274,401</u>	<u>\$ 1,490,724</u>	<u>\$ 80,901</u>	<u>\$ 2,030,592</u>	<u>\$ 3,876,618</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenses and Changes in Net Assets All Internal Service Funds For the Year Ended June 30, 2008

	General Services Support	General Services Motor Pool	Communications	Self Insurance	Total
Operating Revenues:					
Charges for services	\$ 1,652,573	\$ 1,873,370	\$ 289,042	\$ 779,077	\$ 4,594,062
Other income	188	--	98	--	286
Total Operating Revenues	1,652,761	1,873,370	289,140	779,077	4,594,348
Operating Expenses:					
Salaries and benefits	767,832	397,093	64,859	134,211	1,363,995
Services and supplies	892,720	1,128,573	216,201	1,728,825	3,966,319
Depreciation	3,322	278,746	3,373	110	285,551
Total Operating Expenses	1,663,874	1,804,412	284,433	1,863,146	5,615,865
Operating Income (Loss)	(11,113)	68,958	4,707	(1,084,069)	(1,021,517)
Non-Operating Revenues (Expenses):					
Interest income	10,720	26,240	1,102	75,845	113,907
Gain (loss) on sale of assets	--	(4,720)	--	--	(4,720)
Total Non-Operating Revenues (Expenses)	10,720	21,520	1,102	75,845	109,187
Net Income (Loss) before Transfers	(393)	90,478	5,809	(1,008,224)	(912,330)
Transfers In	--	--	--	566,020	566,020
Change in Net Assets	(393)	90,478	5,809	(442,204)	(346,310)
Net Assets, Beginning of Year	203,740	1,342,588	65,311	2,305,493	3,917,132
Net Assets, End of Year	\$ 203,347	\$ 1,433,066	\$ 71,120	\$ 1,863,289	\$ 3,570,822

COUNTY OF AMADOR

Combining Statement of Cash Flows All Internal Service Funds For the Year Ended June 30, 2008

	General Services Support	General Services Motor Pool	Communications	Self Insurance	Total
Cash Flows from Operating Activities:					
Receipts from interfund services provided	\$1,652,761	\$ 1,873,370	\$ 289,140	\$ 779,077	\$ 4,594,348
Payments to employees	(765,175)	(390,724)	(64,859)	(133,721)	(1,354,479)
Payments to suppliers	(885,346)	(1,106,693)	(213,045)	(1,679,461)	(3,884,545)
Net Cash Provided (Used) by Operating Activities	2,240	375,953	11,236	(1,034,105)	(644,676)
Cash Flows from Investing Activities:					
Interest received	10,449	25,529	--	84,704	120,682
Net Cash Provided (Used) by Investing Activities	10,449	25,529	--	84,704	120,682
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets	--	(219,169)	--	--	(219,169)
Proceeds from sale of capital assets	--	22,157	--	--	22,157
Net Cash Provided (Used) by Capital and Related Financing Activities	--	(197,012)	--	--	(197,012)
Cash Flows from Non-Capital Financing Activities:					
Transfers received from other funds	--	--	--	566,020	566,020
Net Cash Provided (Used) by Non-Capital Financing Activities	--	--	--	566,020	566,020
Net Increase (Decrease) in Cash and Cash Equivalents	12,689	204,470	11,236	(383,381)	(154,986)
Cash and Cash Equivalents, Beginning of Year	213,799	473,924	64,016	2,394,017	3,145,756
Cash and Cash Equivalents, End of Year	<u>\$ 226,488</u>	<u>\$ 678,394</u>	<u>\$ 75,252</u>	<u>\$ 2,010,636</u>	<u>\$ 2,990,770</u>

continued

COUNTY OF AMADOR

Combining Statement of Cash Flows (continued)

All Internal Service Funds

For the Year Ended June 30, 2007

	General Services Support	General Services Motor Pool	Communications	Self Insurance	Total
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (11,113)	\$ 68,958	\$ 4,707	\$ (1,084,068)	\$(1,021,517)
Adjustments to reconcile net income (loss) to net provided by operating activities:					
Depreciation	3,322	278,746	3,373	109	285,551
Changes in assets and liabilities:					
Accounts payable	7,374	21,880	3,156	9,364	41,774
Other liabilities	--	6,369	--	40,000	46,369
Compensated absences payable	2,657	--	--	490	3,147
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 2,240</u>	 <u>\$ 375,953</u>	 <u>\$ 11,236</u>	 <u>\$ (1,034,105)</u>	 <u>\$ (644,676)</u>